

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Mortgage Broker License of:

No. 10F-BD067-SBD

3 **KING MORTGAGE FINANCIAL, LLC and**
4 **COREY R. KING, MEMBER**
1758 Laurel Lane
Prescott, AZ 86301

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF OPPORTUNITY FOR
HEARING**

5 Respondents.
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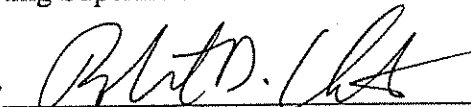
7 The Arizona Department of Financial Institutions (the "Department") hereby finds that King
8 Mortgage Financial, LLC and Corey R. King, Member, ("Respondents") have violated the
9 provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that the
10 public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-905 and 41-
11 1092.11(B).

12 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona mortgage broker
13 license held by Respondents. **This suspension is effective immediately.**

14 EFFECTIVE this 8th day of December, 2009.

15 Thomas L. Wood
16 Acting Superintendent of Financial Institutions

17 By



18 Robert D. Charlton
19 Assistant Superintendent of Financial Institutions

20 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes
21 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby
22 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The
23 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the
24 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and
25 shall identify with specificity the action or order for which review is sought in accordance with
26 A.R.S. § 41-1092.03(B).

1 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
2 her own behalf or by counsel. If Respondents are represented by counsel, the information required
3 by A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a
4 Request for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for
5 hearing in accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request**
6 **reasonable accommodations such as interpreters, alternative formats, or assistance with**
7 **physical accessibility.** Requests for special accommodations must be made as early as possible to
8 allow time to arrange the accommodations. If accommodations are required, call the Office of
9 Administrative Hearings at (602) 542-9826.

10 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
11 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
12 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
13 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
14 Department will be present (the "Department Representative"). Please note that in requesting an
15 Informal Settlement Conference, Respondents waive any right to object to the participation of the
16 Department Representative in the final administrative decision of this matter, if it is not settled. In
17 addition, any written or oral statement made by Respondents at such informal settlement conference,
18 including written documentation created or expressed solely for purposes of settlement negotiations,
19 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
20 regarding informal settlement conferences.) Conversely, any written or oral statement made by
21 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
22 Department in any subsequent hearing.

23 If Respondents do not request a hearing, this Order shall become final. If Respondents
24 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
25 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
26 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time

1 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
2 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
3 132; (3) the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-905; (4) an
4 order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 6-901, *et seq.*,
5 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or
6 proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§
7 6-123 and 6-131.

8 FINDINGS

9 1. Respondent King Mortgage Financial, LLC ("KMF") is an Arizona limited liability
10 company authorized to transact business in Arizona as a mortgage broker, license number MB
11 0908817, within the meaning of A.R.S. §§ 6-901, *et seq.* The nature of KMF's business is that of
12 making, negotiating, or offering to make or negotiate loans secured by Arizona real property, within
13 the meaning of A.R.S. § 6-901(11).

14 2. Respondent Corey R. King ("Mr. King") is an 80% owner/member of KMF. Mr.
15 King is authorized to transact business in Arizona as a mortgage broker within the meaning of
16 A.R.S. § 6-903(H).

17 3. Pursuant to A.R.S. § 6-903(J), Respondents are required to have a surety bond in the
18 amount set forth in A.R.S. § 6-903(K), or an alternative as set forth in A.R.S. § 6-903(M).

19 4. On September 23, 2009, the Department received notification from Hartford Fire
20 Insurance Company stating that KMF's surety bond, number 59BSBEF2520 in the amount of
21 \$15,000.00, is to be cancelled effective November 23, 2009.

22 5. On September 24, 2009, the Department sent a letter to Respondents, to the address
23 on record with the Department, via certified mail, informing them of the bond cancellation. On
24 September 28, 2009, the Department received documentation that the letter was received by the
25 Respondents.

26 6. Respondents failed to provide documentation regarding the reinstatement of their

1 bond or documentation of a new surety bond.

2 7. Respondents do not have the required surety bond in order to conduct business as a
3 mortgage broker.

4 8. The conduct described above constitutes an immediate threat to the public health,
5 safety, and welfare warranting immediate suspension of Respondents' mortgage broker license.

6 9. The conduct described above constitutes grounds for the suspension of Respondents'
7 mortgage broker license.

8 LAW

9 1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to
10 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,
11 rules, and regulations relating to mortgage brokers.

12 2. By the conduct set forth in the Findings, Respondents have failed to maintain the
13 surety bond required by A.R.S. § 6-903(J).

14 3. Pursuant to A.R.S. §§ 6-905 and 41-1092.11(B), the conduct described above
15 constitutes an immediate threat to the public health, safety and welfare warranting immediate
16 suspension of Respondents' mortgage broker license.

17 4. Respondents have not conducted business in accordance with the law and have
18 violated Title 6, Chapter 9, which constitutes grounds for the suspension or revocation of
19 Respondents' license pursuant to A.R.S. § 6-905(A)(3).

20 5. The violations, set forth above, constitute grounds for the pursuit of any other remedy
21 necessary or proper for the enforcement of statutes and rules regulating mortgage brokers in Arizona
22 pursuant to A.R.S. §§ 6-123 and 6-131.


23 6. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes
24 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation
25 for each day.

26 WHEREFORE, if Respondents do not request a hearing to contest the above Findings or

1 produce evidence of a valid surety bond, Respondents' license shall remain suspended unless and
2 until reinstated or until said license expires by operation of law.

3 DATED this 8th day of December, 2009.

4 Thomas L. Wood
5 Acting Superintendent of Financial Institutions

6 By 
7 Robert D. Charlton
8 Assistant Superintendent of Financial Institutions

9 ORIGINAL of the foregoing filed this 8th
10 day of December, 2009, in the office of:

11 Thomas L. Wood
12 Acting Superintendent of Financial Institutions
13 Arizona Department of Financial Institutions
14 ATTN: Susan Longo
15 2910 N. 44th Street, Suite 310
16 Phoenix, AZ 85018

17 COPY mailed/delivered same date to:

18 Craig A. Raby
19 Assistant Attorney General
20 Attorney General's Office
21 1275 West Washington
22 Phoenix, AZ 85007

23 Richard Fergus, Licensing Division Manager
24 Robert D. Charlton, Assistant Superintendent
25 Arizona Department of Financial Institutions
26 2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

AND COPY MAILED SAME DATE, by
Certified Mail, Return Receipt Requested to:

Corey R. King, Owner/Member
King Mortgage Financial, LLC
1758 Laurel Lane
Prescott, AZ 86301
Respondents

1 Jerry Carver, Statutory Agent
2 King Mortgage Financial, LLC
3 239 S. Cortez St.
4 Prescott, AZ 86303

5 By: Susan Lengo
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